

POPULAR ANNUAL
FINANCIAL REPORT
(PAFR) FISCAL YEAR
ENDING: JUNE 30, 2021

CITY OF DRAPER, UTAH



OUR COMMUNITY



Incorporated in 1978 and nestled in the southwest corner of the Wasatch Front mountain range, Draper City is a now community of more than 50,000 residents and bridges two metropolitan areas – the Salt Lake City metropolitan area and the Provo-Orem metropolitan area.

Draper City is a very community-oriented place. Many events are scheduled year-round, including our largest summer celebration, Draper Days, free concerts in the park, an outdoor amphitheater and cycling and running races. We have a safe city, with low crime and highly trained police and fire departments.

Draper City spans over 30 square miles including over 4,500 acres of open space. We promote a healthy quality of life, with easy access to City trail systems, and nearby mountain areas offering access to wilderness and spectacular vistas.

The City is served by more than 280 full time equivalent employees (FTEs) providing high quality public safety, culinary water, storm water, solid waste collection, roadway construction and maintenance, parks and recreation facilities, street lighting and many community and cultural events.



LETTER FROM THE FINANCE DEPARTMENT

We are proud to present this year’s version of the Popular Annual Financial Report (PAFR). The information found within this report is a mixture of information presented in the FY21 independently audited Annual Comprehensive Financial Report (ACFR) and the current FY22 budget. This report is unaudited.

The City strives to meet the highest standards in financial reporting and received the Certificate of Achievement of Excellence in Financial Reporting award for the report issued for FY20.

This year the City saw significant growth to both sales and property tax. Property tax was the result of strategically planned new development. Strong revenue growth allowed the City to make recent competitive pay adjustments in the Fire and Police Departments. These adjustments help ensure that Draper can employ highly experienced staff. The City ended the fiscal year in a healthy financial position and expects be able to continue to provide the high caliber services residents have come to know.

As you read this report, note that all sources of information not identified within this report can be found in the ACFR. This report, as well as the ACFR can be found at www.draperutah.gov On behalf of the City, we thank you for reading this report. We welcome any input or comments you may have. Also, be sure to follow us on social media or subscribe to email or test notifications at draperutah.gov/notify.

Sincerely,
 Jared Zacharias, CGFM
 Assistant Finance Director
 (801) 576-6573



ELECTED OFFICIALS AS OF DEC 2021

- Mayor Troy Walker
- Council Member Mike Green
- Council Member Tasha Lowery
- Council Member Fred Lowry
- Council Member Calvin Roberts
- Council Member Marsha Vawdrey

INCLUDED IN THIS REPORT

- Page 2: General Information
- Page 5: All Funds (Government-Wide) Financials
- Page 6: General Fund Financials (Tax Supported)
- Page 8: Business-Type Funds Financials (Fee Supported)
- Page 9: Performance Statistics

DEMOGRAPHIC INFORMATION

Fiscal Year	2020	2021
Population	48,587	51,017
Population per sq. Mile	1,613	1,699
Residents 18 Years and Older	33,136	34,794
Median Home Value <i>(Source: Salt Lake and Utah County Assessors Office)</i>	\$531,900	\$589,800
Average AGI <i>(Source: Utah State Tax Commission)</i>	\$112,067	\$117,993
Draper City Employees (FTEs)	271	271
Average Unemployment Rate	4.0%	3.6%

TOP 5 PRINCIPAL EMPLOYERS

Employer	# of Employees
Health Equity	1,000-1,999
Utah State Prison	500-999
Progressive Finance, LLC	500-999
Coca-Cola Bottling Corp.	500-999
Pluralsight, LLC	500-999

TOP 5 PROPERTY TAX PAYERS

Tax Payer	Assessed Taxable Value
LD Bowerman Investments	\$99,094,300
Harbert MSB Lone Peak	\$83,230,000
eBay, Inc.	\$77,419,800
Highland Office 1, LC	\$76,011,200
Coca-Cola Bottling Corp.	\$74,559,600

CITY OFFICES, LOCATIONS & HOURS (PARTIAL LIST)

Draper City Hall
1020 E Pioneer Rd (12400 S)
Draper, Utah 84020
(801) 576-6500

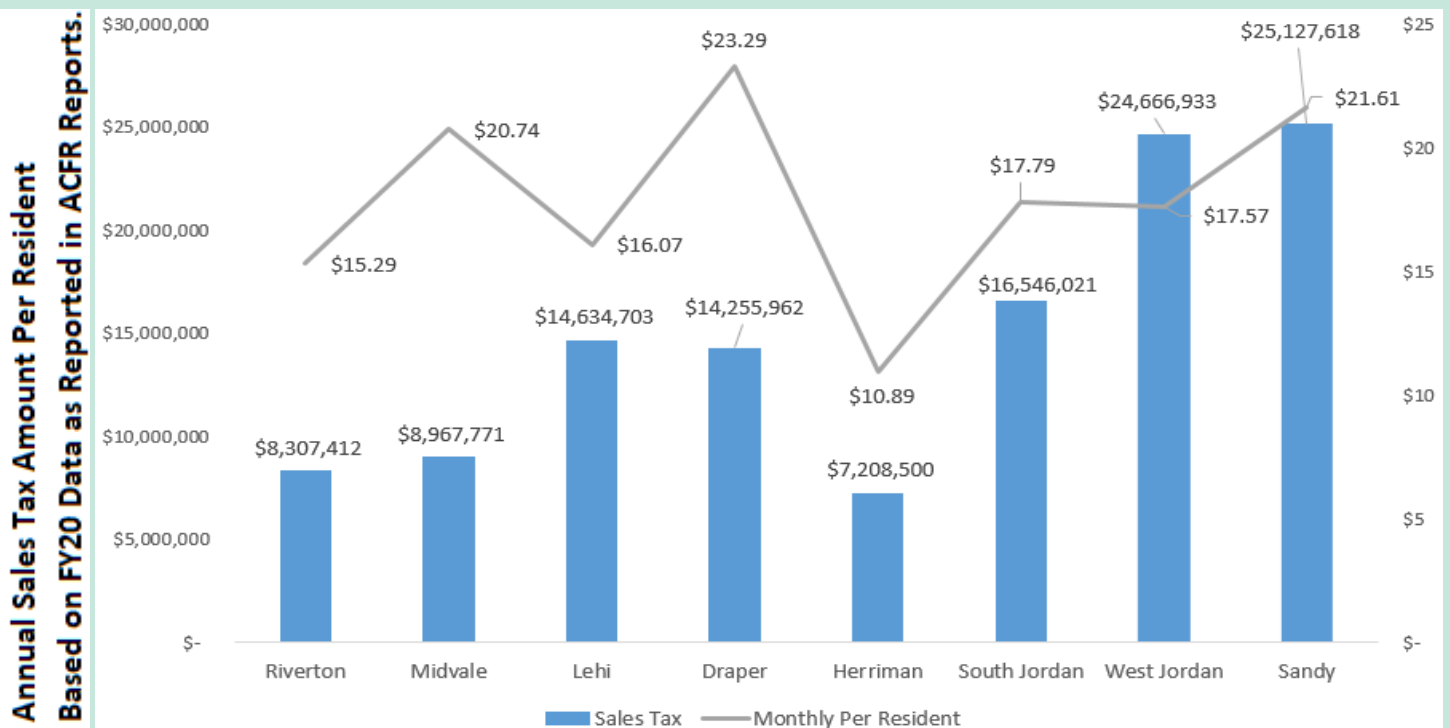
Draper Public Works
72 E Sivogah Ct (14525 S)
Draper, Utah 84020
(801) 576-6557

Hours: Monday - Friday
7:00 am - 3:30 pm

Fire Department Admin. Office
Fire Station # 21
780 East 12300 South
Draper, UT 84020
(385) 557-2805

Draper Police Department
1020 E. Pioneer Rd.
Draper, UT 84020
(801) 576-6314 - Admin.
(801) 840-4000 - Non Emergency
Dial 911 - Emergency

Animal Control
12375 S. Vista Station Blvd. (550 W.)
Draper, UT 84020
(801) 576-6345
Shelter Hours: Monday - Friday
9:00 am - 4:00 pm



DRAPER'S FORM OF GOVERNMENT

Draper City operates under the council-manager form of municipal government. The City Council is the legislative branch of the City government and is composed of the mayor and five council members. The term for each of these elected offices is four years. The City Council is responsible for passing ordinances, adopting the budget, appointing the City Manager and other City officials required through state or local policy to be appointed by council. They are also responsible for appointing committees.

The City Manager serves as the chief administrative officer responsible for directing the day-to-day operations of City affairs, and the implementation of City Council ordinances and policies. As the City Council's chief advisor, the City Manager prepares a recommended budget for the council's consideration and recruits, hires and supervises City staff.

WHAT IS THE GENERAL FUND?

The general fund is the primary operating fund of the City and it accounts for the resources that are used to pay for the services traditionally associated with local government.

Draper City's funding comes from two major sources: taxes and fees. The majority of services provided by the City are financed through tax revenue.

Five categories of fees collected are taxes, licenses & permits, charges for services, fines, and miscellaneous revenues.

FUNDS ADMINISTERED BY THE CITY

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the City's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Tax Supported Funds (Governmental):

- General (Chief Operating Fund)
- Municipal Building Authority
- Capital Improvement Projects
- Fire Impact Fee
- Transportation Impact Fee
- Park Impact Fee
- Police Impact Fee
- Redevelopment Agency
- Traverse Ridge Special Service District
- Cemetery Permanent Fund

Fee Supported Funds (Business Type):

- Water
- Storm Water
- Solid Waste
- Ambulance

MISSION STATEMENT AND VALUES



Independent Audit

An independent audit of the City's finances was conducted by Hanson, Bradshaw, Malmrose and Erickson, P.C., and a clean opinion statement was issued. Complete financial information including the city's Annual Comprehensive Financial Report (ACFR) can be found at www.draperutah.gov/finance.

GOVERNMENT WIDE HIGHLIGHTS

The assets of the City exceeded the liabilities of the City at the close of FY20 by \$592,893,623 (net position), which is up \$26,551,818 over last year. Of this amount, \$89,539,092 is in unrestricted net position which is available to meet ongoing obligations.

Net position in the governmental activities improved by \$19,715,271. Significant changes include an increase of \$2,748,236 in sales tax, \$3,295,967 in decreased expenses, \$2,854,819 in CARES funding and \$6,569,095 increase in developer contributions related to donated assets.

Net position for the business-type activities improved by \$6,836,547. Significant changes include a \$1,996,686 in developer contributions related to donated assets and a \$1,471,553 increase to program revenues (billings).

The outstanding bonds at year-end bonds payable is \$17,509,523. The City also has outstanding notes payable of \$11,257,815 to be paid back with impact fees only if collected.

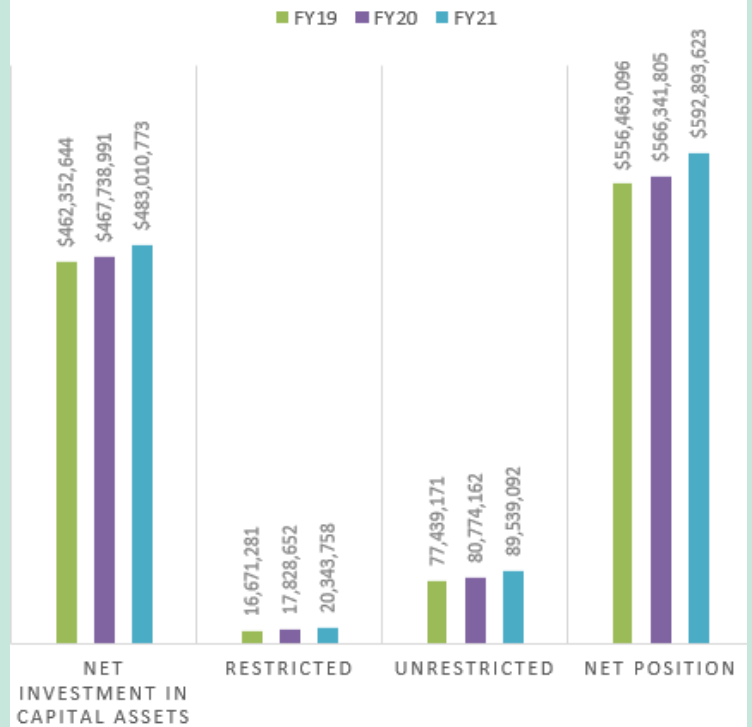
BREAKING DOWN NET POSITION

The largest portion of the City's net position reflects its investment in capital assets, less any related outstanding debt. Capital assets are things like roads and sidewalks; and as such, they can't be spent like cash.

Unrestricted net position may be used to meet the City's ongoing obligations to residents and creditors. Much of this amount, though, not legally restricted, has been assigned by the council to meet obligations.

Restricted net position represents cash, or cash like assets that are legally restricted for specific purposes such as impact fees or taxes collected for B&C roads (gas tax).

TOTAL PRIMARY GOVERNMENT NET POSITION

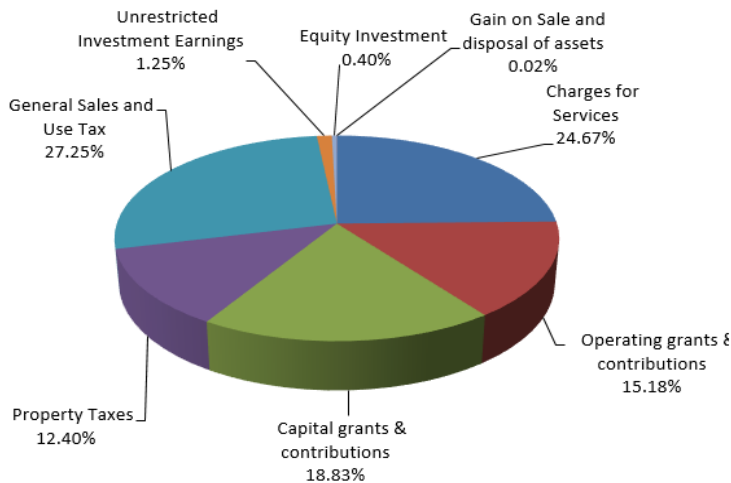


NET POSITION:
Represents all of Draper's assets and liabilities, with the difference between the two reported as net position. An increase or decrease over time may be used as an indicator of whether the financial condition of the City is improving or declining.

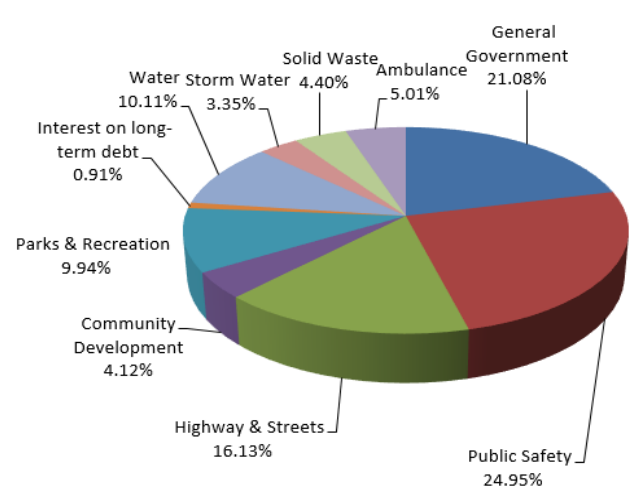


GOVERNMENT-WIDE FINANCIALS

Total Government-Wide Revenues - FY2021



Total Government-Wide Expenses - FY2021



GENERAL FUND HIGHLIGHTS:

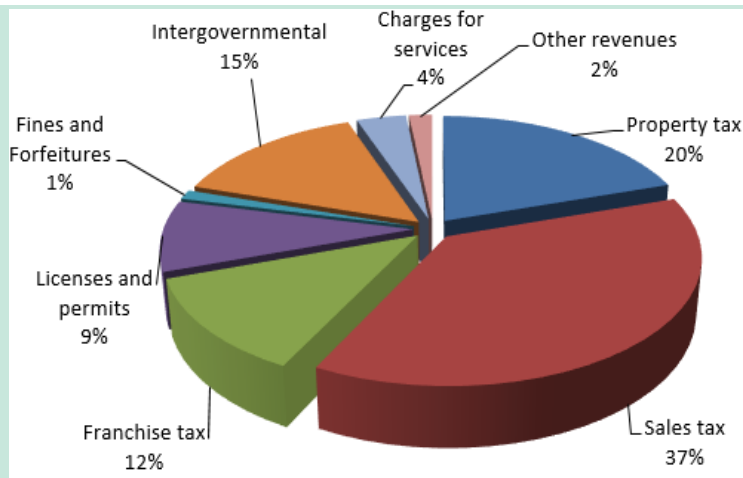
General fund revenues before any transfers or sale of asset revenue was \$44,769,874. This is an increase of \$6,260,016 or 16.2% over the prior year. Revenues from taxes continued to be the largest source of revenue which accounted for \$31,198,219 or 69.7%. Governmental programs are funded either by program revenues (charges for services) or general revenues such as taxes that are part of the general fund revenues. The reliance on the general fund for governmental programs decreased by \$13,640,515, meaning that programs (public safety, parks etc.) needed less support.

Expenditures in the general fund were \$33,894,131 before transfers or bond payments. All departments within the general fund came in under budget. The excess between these revenues and expenditures was \$10,875,743. The net change after transfers, bond payments and sale of capital assets was (\$9,409,424) resulting in a net change in fund balance of \$1,466,319.

The ending unassigned fund balance is \$13,562,617 which can be used for any purpose. As a matter of fiscal prudence, the majority of the unassigned fund balance will be preserved to cover emergencies or future revenue shortfalls.

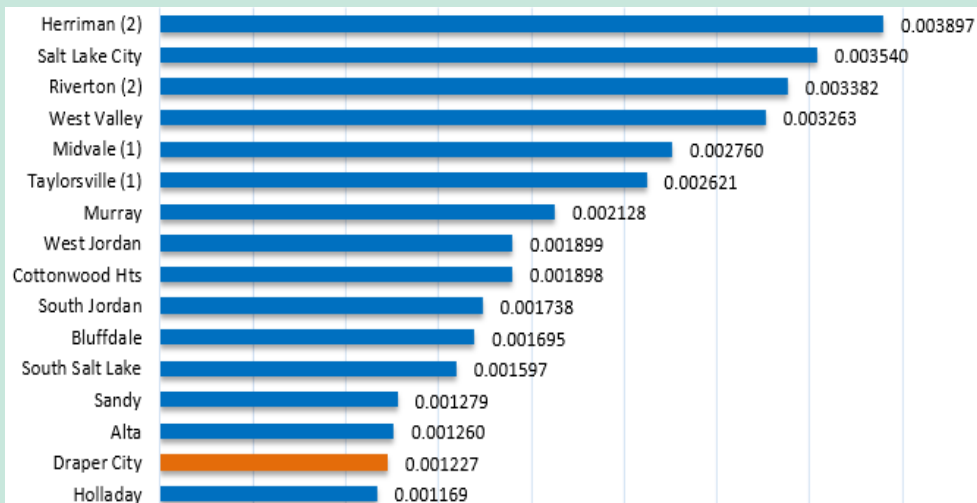
REVENUES BY SOURCE

	FY20	FY21
<i>Property tax</i>	\$8,145,862	\$8,932,544
<i>Sales tax</i>	14,255,962	16,788,860
<i>Franchise tax</i>	5,261,476	5,476,814
<i>Licenses and permits</i>	3,783,877	4,051,318
<i>Fines and forfeitures</i>	708,741	538,903
<i>Intergovernmental</i>	3,248,329	6,533,084
<i>Charges for services</i>	1,304,299	1,669,719
<i>Other revenues</i>	1,811,312	778,632
Total	\$38,519,858	\$44,769,874



PROPERTY TAX RATES FOR 2020

The following tax rate provided funding for the services rendered during fiscal year 2020 -2021. The rates for Draper have dropped over the last several years as home values have increased. Historically, increases to the property tax collected is a result of new growth in both residential and commercial property, as property tax rates



(1) Includes taxes for fire services.

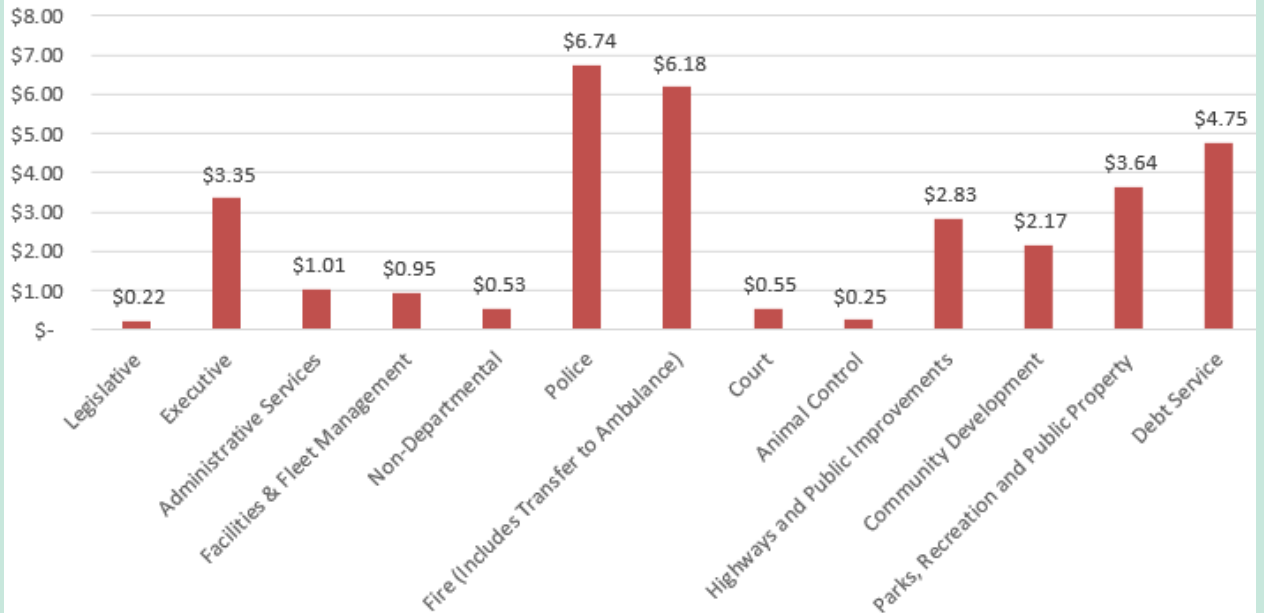
(2) Includes taxes for police and fire services.

REVENUE SUMMARY:

- ◆ Sales tax revenues were the largest tax revenue contributor in FY21, and increased by \$2,532,898 (or 17.8%) as compared to FY20. The City has a strong and diversified sales taxes base.
- ◆ Fines and forfeitures decreased by (\$169,838) which is down for the third consecutive year.
- ◆ Licensing and permitting revenue increased \$267,441 with most of the increase coming from plan check fees.
- ◆ Intergovernmental revenues increased \$3,284,755 over FY20. \$2,854,819 came from one-time federal funds related to the CARES Act.
- ◆ Interest decreased (\$1,510,167) due to many of the City's investments with high yields reaching maturity and the best reinvestment options were limited to a lower yield.

2020 Median owner-occupied home value was \$589,800.
 Calculation Notes: $\$589,800 * .55$ (Taxable Value)
 $* .001227$ (2020 Draper tax rate) = \$398 /12 * % of total expenditures. Source: Salt Lake & Utah County

Draper City's Monthly Portion of the Property Taxes on a Median Valued Owner Occupied Single Family Home - Year Ended June 30, 2021

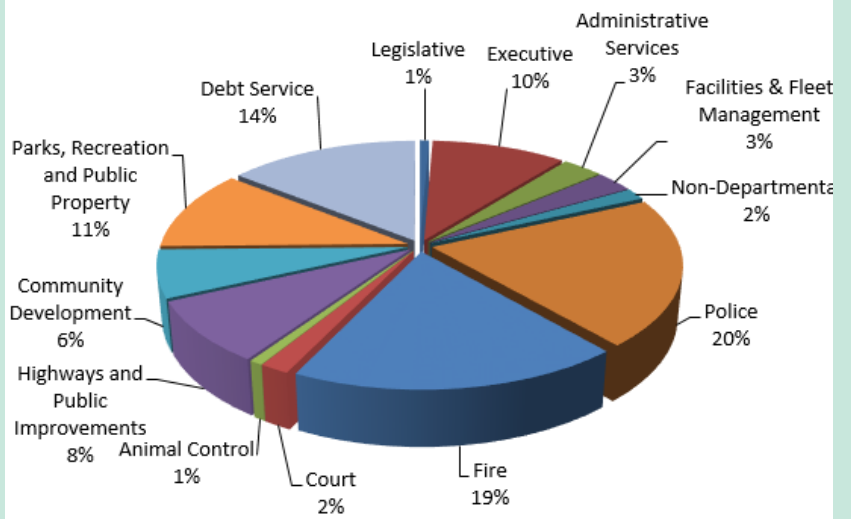


EXPENDITURE SUMMARY:

- Expenditures had a net increase of \$2,680,996.
- Public safety payroll pay plan adjustments resulted in a \$572,808 increase.
- Facilities and Fleet decreased by (\$508,879) because fleet replacements are now funded from the CIP fund instead, thus, the decrease does not represent a true savings but merely a change in reporting as the expense is now part of transfers into the CIP fund.
- Executive increased \$454,713 with \$363,867 representing our 'Draper Deals' program to spur the economy during COVID-19.
- Debt Service expenses increased by \$2,344,283 with the increase related to the early payoff for both the 2012B and 2016 series. These related to City Hall construction, Bangerter Pkwy and the SunCrest fire station.

EXPENDITURES BY FUNCTION

	FY20	FY21
Legislative	\$232,205	\$243,102
Executive	3,161,144	3,615,857
Administrative Services	1,041,626	1,095,182
Facilities & Fleet Management	1,532,810	1,023,931
Non-Departmental	610,119	568,126
Police	7,056,088	7,284,477
Fire	4,373,858	4,718,277
Court	601,830	597,363
Animal Control	262,657	267,584
Highways and Public Improvements	3,314,515	3,061,446
Community Development	2,397,038	2,344,293
Parks, Recreation and Public Property	3,835,845	3,936,810
Debt Service	2,793,400	5,137,683
Total with partial transfers	\$31,213,135	\$33,894,131



*Visual graphs displayed on this page are adjusted to include the transfer to the Ambulance Fund whereas financial numbers exclude all transfers.

Operating Revenues by Service

	FY20	FY21
Water Sales	\$5,198,470	\$5,824,899
Storm Water Utility	3,270,980	3,317,154
Sanitation Sales	2,638,524	2,724,390
Water Connection Fees	73,705	101,505
Miscellaneous Income	65,667	70,883
Ambulance Services	1,442,590	1,572,802
Total	\$12,689,936	\$13,611,633

Storm Water Fund — Revenues from storm water utility increased \$44,541 as compared to the previous fiscal year. Any increase is due to increased billings. Operating expenses increased \$130,621 from \$1,601,848 in FY2020 to \$1,732,469 in FY21. The storm water fund recognized an operating income of \$1,609,793 before non-operating revenues/expenses and before capital contributions. After capital contributions of \$1,576,975 and non-operating revenue/expenses of \$401,818 the storm fund had a positive change in net position of \$3,588,586.

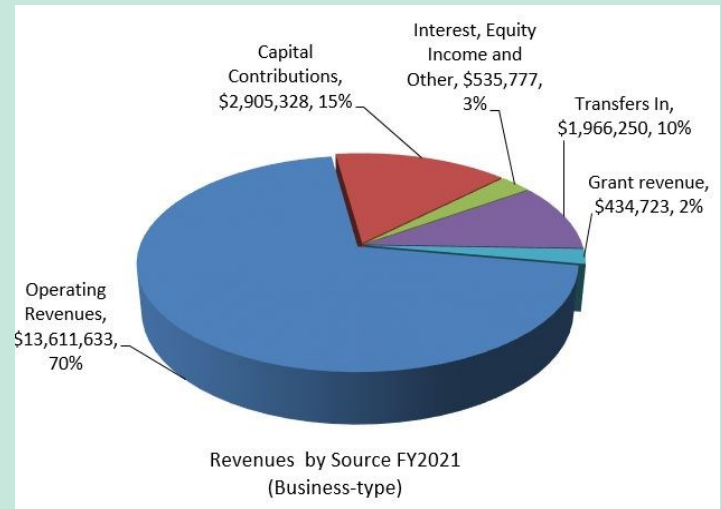
Cash has built up in the fund over the past few years as the City has been able to obtain grants that paid for some of the larger needs and road widening projects. \$1.5M is currently earmarked for a portion of a future public works building.

Operating Expenses by Service

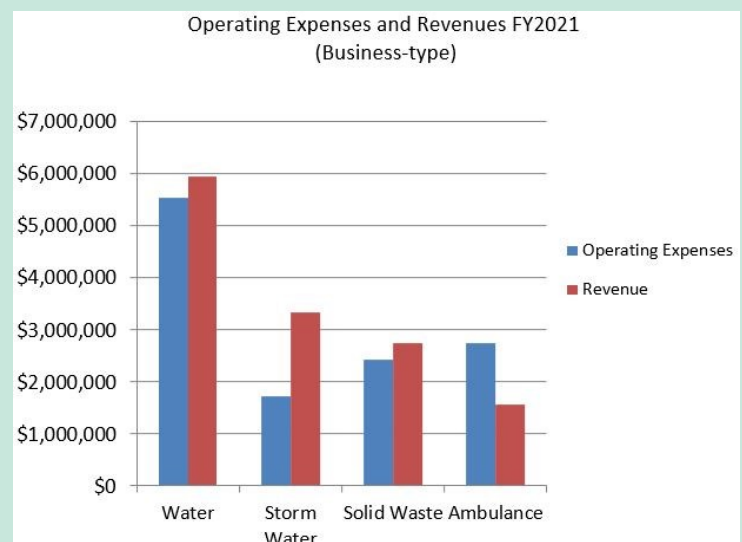
	FY20	FY 21
Salaries and Wages	\$3,857,601	\$3,374,376
Utilities	392,052	440,655
Water Charges	2,247,715	2,578,077
Landfill and Sanitation Fees	448,765	451,844
Claims and Insurance	228,660	215,400
Supplies and Repairs	950,979	1,206,583
Administration	1,876,725	1,793,210
Depreciation	2,299,103	2,396,058
Total	\$12,301,600	\$12,456,203

Solid Waste Fund — Revenues from solid waste utility fees increased \$86,198 as compared to the previous fiscal year 2020. Fee increases are due to the increase in the number of new accounts as opposed to a rate increase. Operating expenses showed an increase of \$9,826 from \$2,415,102 in FY20 to \$2,424,928 in FY21. The solid waste fund recognized operating income of \$320,014 before non-operating revenues/expenses and before capital contributions. After non-operating revenues/expenses of \$366,029 the solid waste fund had a positive change in net position of \$686,043. The majority of non-operating revenues are \$324,142 in equity (ownership of the Transjordan Landfill).

Water Fund — Operating revenues from water activities increased \$660,746 as compared to FY20. Operating expenses showed an increase of \$348,507 from \$5,195,826 in FY2020 to \$5,544,333 in FY2021. The water fund recognized \$407,294 operating income before non-operating revenues/expenses and before capital contributions/transfers. The water fund posted a positive change in net position of \$1,924,524. The most significant change in FY21 over FY20 was the decrease in capital contributions of (\$339,455) to bring contributions to \$1,328,353. These are water systems installed for new subdivisions and do not represent a cash increase to the fund.



Ambulance Fund — Revenues from charges for services was \$1,572,802 which is \$130,212 more than FY20. This was a result of more elective transports during the year. The ambulance fund recognized a loss in operating income of (\$1,181,671) before non-operating revenues/expenses and before capital contributions. The loss for the prior year was (\$1,646,234). The general fund transferred \$1,966,250 to assist in offsetting the cost to administer medical services. The FY20 transfer was \$1,766,050. It is anticipated that the general fund will need to continue to make annual transfers in order to support this service or support other alternatives so that the fund is balanced.



PERFORMANCE MEASURES AND STATISTICS

Fiscal Year	FY19	FY20	FY21
Police			
Calls for service – through dispatch	26,823	26,729	27,774
Citations written	5,233	2,656	2,087
Fire			
Medical Calls	2,895	2,871	2,972
Fire Calls	798	763	733
Ambulance Transports	N/a	1,573	1,571
Streets			
Snow plow hours	4,955	4,311	3,192
Tons of salt	9,538	6,314	4,418
Gallons of brine spread	50,599	78,868	89,483
Economic Development			
Business licenses issued	1,792	1,329	1,594
Build permits issued	1,692	1,784	1,955
Garbage & Recycling			
Number of customers	10,522	10,633	10,814
Total annual waste in tons	17,054	17,920	18,350
Total annual recycle in tons	1,889	1,811	1,526
Water			
Number of customers	4,168	4,302	4,409
Average daily use per household (gal)	811	846	903
Parks and Recreation			
Program registrations processed	5,775	5,325	5,450
Recreation participants	7,656	5,402	7,157
Park Reservations processed	2,474	1,720	2,345
Total parks	44	45	45
Total trails (in miles)	122	124	146

RECENT ACCOMPLISHMENTS (PARTIAL LIST)

Legislative Department:

- ◆ Planned for smart growth and projects within the City.
- ◆ Lead and continues to lead the City through COVID-19

Executive Department:

- ◆ Traverse Ridge Conservation Easement
- ◆ Pluralsight development (South Mountain RDA)
- ◆ General Plan updated

Communications Department:

- ◆ Completed the re-branding of the City logo
- ◆ Increased online presence
- ◆ Website redesign

Police Department:

- ◆ Updated the pay scale to improve officer retention.
- ◆ Purchased mobile field force equipment
- ◆ Implemented the Volunteers in Police Service (VIPS)

Fire Department:

- ◆ Updated the pay scale to improve retention
- ◆ Moved reserves to the Fire Logistics building for better management and tracking
- ◆ Participated in wildland deployments: Oregon, California, Nevada
- ◆ Hurricane Laura assistance

Public Works Dept.—Engineering Division:

- ◆ 300 E. from 11800 S. to 11400 S.
- ◆ 11950 S.— 150 E. to State St. sidewalks
- ◆ 13800 S.—Fort St. to Bangerter sidewalks

Public Works Dept.—Street Division:

- ◆ 284 street signs repaired or replaced
- ◆ 122 tons of asphalt road repairs
- ◆ 977 feet of sidewalk and curb replacement
- ◆ 445 feet of sidewalk grinding trip hazard completed

Parks & Rec. Department: Parks Division:

- ◆ Completed Galena Dog park improvements
- ◆ Added restrooms and additional parking to Peak View trailhead

Parks & Rec. Department: Trails Division:

- ◆ Hoof & Boot completed
- ◆ Lower Rush and Limelight updated
- ◆ Installed lights in Highland Dr. tunnel
- ◆ Invasive weed control in Mehraban wetlands.
- ◆ 22 miles of trail added in FY21.
- ◆ Completed Peak View trailhead

APPOINTED POSITION

NAME

CITY MANAGER	DAVID DOBBINS
ASSISTANT CITY MANAGER	BRET MILLBURN
CITY ATTORNEY	MICHAEL BARKER
CITY RECORDER	LAURA OSCARSON
CITY TREASURER	LOURDES RAMOS
COMMUNICATIONS DIRECTOR	LINDA PETERSON
COMMUNITY DEVELOPMENT DIRECTOR	VACANT
FINANCE DIRECTOR	ROBERT WYLIE
FIRE CHIEF	CLINT SMITH
HUMAN RESOURCES DIRECTOR	HAZEL DUNSMORE
JUSTICE COURT JUDGE	DANIEL BERTCH
PARK & RECREATION DIRECTOR	RHETT OGDEN
POLICE CHIEF	JOHN EINING
PUBLIC WORKS DIRECTOR/CITY ENGINEER	SCOTT COOLEY

Do you like this report? Would you like to see more information? Please let us know by contacting Jared Zacharias by email at jared.zacharias@draperutah.gov For more information on our services, visit our website at www.draper.ut.us.



DRAPER CITY
1020 EAST PIONEER RD.
DRAPER, UT 84020

MAIN: (801)576-6500
WWW.DRAPERUTAH.GOV

POPULAR ANNUAL FINANCIAL
REPORT (PAFR)
FOR THE FISCAL YEAR ENDING
JUNE 30, 2021